

FAIRNESS IN TREATMENT

FACT SHEET

The Need for Treatment

- **Untreated addiction costs America \$400 billion per year** (Source: *Substance Abuse: The Nation's Number One Health Problem*, Brandeis University, Schneider Institute for Health Policy, 2001)
- **23 million Americans suffer from substance abuse addiction** (Source: *Substance Abuse: The Nation's Number One Health Problem*, Brandeis University, Schneider Institute for Health Policy, 2001)
- **Untreated addiction is more expensive than 3 of the nation's top 10 killers:** 6 times more expensive than America's number one killer: heart disease (\$133.2 billion/year), 6 times more than diabetes (\$130 billion/year), 4 times more than cancer (\$96.1 billion/year) (Source: *Substance Abuse: The Nation's Number One Health Problem*, Brandeis University, Schneider Institute for Health Policy, 2001)
- Drug related deaths have almost doubled since 1990--approximately **one in four deaths each year** is attributable to substance abuse. (Source: *Substance Abuse: The Nation's Number One Health Problem*, Brandeis University, Schneider Institute for Health Policy, 2001)
- **More than half of all adults** have a family history of alcoholism or problem drinking. (Source: *Position Paper on Drug Policy, Physician Leadership on National Drug Policy (PLNDP)*, Brown University Center for Alcohol and Addiction Studies, 2000)
- **More than 9 million children** live with a parent dependent on alcohol and/or illicit drugs. (Source: *Position Paper on Drug Policy, Physician Leadership on National Drug Policy (PLNDP)*, Brown University Center for Alcohol and Addiction Studies, 2000)
- According to the latest Substance Abuse and Mental Health Services Administration (SAMHSA) National Survey on Drug Use and Health, in 2005, **20.9 million Americans needed treatment but did not receive it.**
- **Heavy drinking contributes to illness** in each of the top three causes of death: heart disease, cancer and stroke. (Source: *Position Paper on Drug Policy, Physician Leadership on National Drug Policy (PLNDP)*, Brown University Center for Alcohol and Addiction Studies, 2000)

Social and Medical Barriers to Treatment

- **94% of primary care doctors fail to diagnosis substance abuse** when presented with early symptoms in an adult patient. (Source: *Missed Opportunity: The CASA National Survey of Primary Care Physicians and Patients*. National Center on Addiction and Substance Abuse at Columbia University, 2000.)
- **Families need and want help:** 72% of families whose doctor has not intervened to arrest addiction say they would want the doctor to do so. (Source: *The Road to Recovery: A Landmark National Study on Public Perceptions of Alcoholism and Barriers to Treatment*. Peter D. Hart Research Associates, Inc. 1998.)
- A 58% majority of **employers acknowledged that managers avoid** addressing alcoholism in their employees. (Source: *The Road to Recovery: A Landmark National Study on Public Perceptions of Alcoholism and Barriers to Treatment*. Peter D. Hart Research Associates, Inc. 1998.)

- **58% of clergy acknowledge that they avoid addressing** alcoholism among the individuals and families they counsel. (*Source: The Road to Recovery: A Landmark National Study on Public Perceptions of Alcoholism and Barriers to Treatment. Peter D. Hart Research Associates, Inc. 1998.*)

Treatment Works:

- **Treatment of addiction is as successful as treatment of other chronic diseases**, diabetes, hypertension and asthma (*Source: National Institute on Drug Abuse, Principles of Drug Addiction Treatment, 1999*)
- Drug treatment **reduces drug use by 40-60%**. (*Source: National Institute on Drug Abuse, Principles of Drug Addiction Treatment, 1999*)
- One year of methadone treatment costs \$4700 per patient—**one year of imprisonment is \$18,400**. (*Source: National Institute on Drug Abuse, Principles of Drug Addiction Treatment, 1999*)
- For every **\$1 spent on treatment yields a return of up to \$7** in a reduction of drug related crime and criminal justice costs. (*Source: National Institute on Drug Abuse, Principles of Drug Addiction Treatment, 1999*)
- When adding savings related to health care, the **savings exceed costs by a ratio of 12:1**. (*Source: National Institute on Drug Abuse, Principles of Drug Addiction Treatment, 1999*)
- **No differences in success** of treatment between genders, age or ethnicity. (*Source: National Institute on Drug Abuse, Principles of Drug Addiction Treatment, 1999*)
- **The majority of employee managers (83%) believe it is better for a company's bottom-line** to help employees recover from addiction than it is to terminate them for alcohol-related incidents. (*Source: The Road to Recovery: A Landmark National Study on Public Perceptions of Alcoholism and Barriers to Treatment. Peter D. Hart Research Associates, Inc. 1998.*)
- **Treatment saves money: A Chevron Corporation** analysis indicated that \$10 is saved for every \$1 spent on employee rehabilitation (figure does not include savings for reduction in workplace accidents as a result of employee rehabilitation) (*Source: Chevron Corporation, Testimony on Workplace Substance-Abuse Prevention Programs before the Subcommittee on National Security, International Affairs and Criminal Justice of the Committee on Government Reform and Oversight, U.S. House of Representatives, June 1996.*)
- **Treatment Works: According to American Airlines, 75% to 80% of employees** who received alcohol and other drug treatment had remained abstinent from substances through the entirety of the one-year monitoring activities. (*Source: John Saylor, Manager of Employee Assistance Programs for AMR Corporation and for American Airlines, AMR's largest subsidiary, July 28, 1998 testimony before the Senate Labor and Human Resources Committee.*)

Costs are Minimal for Parity in Health Plans:

- Providing parity for drug and alcohol treatment services does NOT increase health insurance premiums significantly: The most current governmental and private actuarial studies indicate that parity in health insurance plans **costs a maximum of \$1 per month** of all studies conducted:
 - Substance abuse treatment services can be made available to employees for \$5.11 a year, or 43¢ per month. (*Source: The Journal of Behavioral Health Services & Research, May 1999. How Expensive Are Unlimited Substance Abuse Benefits Under Managed Care? By Roland Sturm, Ph.D.*)
 - According to the actuarial firm of Milliman and Robertson, substance abuse parity will increase premiums **by less than one percent or less than \$1 per family member per month**. (*Source: Milliman & Robertson, Inc., 1997. Premium Estimates for Substance Abuse Parity Provisions for Commercial Health Insurance Products.*)

➤ A **Dept. Health and Human Services** (Substance Abuse and Mental Health Administration) study found that “if parity was limited to substance abuse, **premiums would rise by only 0.2 percent**.” Substance Abuse and Mental Health Services Administration (SAMHSA) March 1998 study examined expansion of mental health and substance abuse insurance benefits found that “based on an updated actuarial model, full parity for mental health and substance abuse services is estimated to increase premiums by 3.6 percent, on average. Mental health accounts for most of this increase.” (*Source: SAMHSA, March 1998*)

- **5 states with parity in their health plans** (California, Ohio, Oregon, Minnesota and Washington) found that costs associated with substance abuse benefits **tend to have little impact on premiums or the overall spending of insurance companies and that the initial costs are offset by the resultant social benefits** of treatment (*The Center for Substance Abuse Treatment’s Office of Managed Care and the Center for Mental Health Services*)

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